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SUBJECT: PRESS BULLETIN - February 4, 2009

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Top Headlines

Chosun Ilbo Foreign Investors Buying Korean Shares in Anticipation of Gains in Korean Currency

JoongAng Ilbo, Dong-a Ilbo College Students Delay Graduation Due to Difficulties in Getting Jobs

Hankook Ilbo IMF Predicts Minus 4 Percent Growth for ROK This Year, the Worst Figure Among G20 Countries

Hankyoreh Shinmun Ruling Circles Decide to Shelve Plans to Ratify KORUS FTA in February

Segye Ilbo Professors Using Research Funds for Personal Purposes

Seoul Shinmun North Korea Preparing to Test Taepodong-2

Domestic Developments

11. During their Feb. 3 telephone conversation, the leaders of the ROK and the U.S., agreed to work together to verifiably denuclearize North Korea through the Six-Party Talks and to forge a stronger alliance between the two countries. According to Blue House Spokesman Lee Dong-kwan, President Barack Obama said: "Countries

around the world must resist the temptation to go back to trade protectionism."(All)

12. According to U.S. Immigration and Customs Enforcement, the number of Korean students studying in the U.S. reached 110,000 last year, the largest foreign student group in the U.S. for three years in a row. (JoongAng, Dong-a, MBC, OhmyNews)

International News

- 11. According to an ROKG source, ROK and U.S. intelligence authorities have recently spotted signs of North Korea preparing to test-fire a long-range Taepodong-2 missile that has a maximum range of 6,700 km and can hit Alaska with a light payload. Military intelligence officials were quoted as saying that it would take one or two months for North Korea to test-fire a Taepodong-2 missile, because it takes considerable time to assemble the first, second and third-stage rockets, set up the launch pad, and to fill the rockets with liquid fuel. (All)
- $\P 2$. According to AP, Deputy State Department Spokesman Robert Wood criticized the North's move by saying: "North Korea's missile launch is of no help and frankly provocative." (Hankyoreh)
- 13. Seven U.S. experts on North Korea arrived in Pyongyang yesterday in the first major civilian visit from Washington under the Obama Administration. (Hankoyreh, all TVs)
 Media Analysis

North Korea

The ROK media gave prominent coverage to possible missile launch preparations in North Korea. An ROKG source was widely quoted as saying: "A U.S. reconnaissance satellite last week spotted a train carrying a large cylindrical object from a missile arsenal near Pyongyang to a test site in the country. If the cylindrical object is a missile, there is a high possibility that it is Taepodong-2 (that has a maximum range of 6,700 km and can hit Alaska with a light payload.)" Military intelligence officials were also cited as saying: "It would take one or two months for North Korea to test-fire a Taepodong-2 missile, because it takes considerable time to assemble the first, second and third-stage rockets, set up the launch pad, and to fill the rockets with liquid fuel. Left-leaning Hankyoreh Shinmun quoted Deputy State Department Spokesman Robert Wood as responding by stating: "North Korea's missile launch is of no help and frankly provocative."

Most of the ROK media noted that the latest development comes amid growing tension on the Korean Peninsula, following a series of hostile statements by North Korea toward the ROK. The ROK media cited local pundits as analyzing that Pyongyang is highly likely to fire a missile in order to prove its recent threats are not hollow and that a missile launch is an easier way for the North to do that than an armed clash on the Northern Limit Line (NLL), the de facto sea border between the two Koreas. The ROK media also speculated that North Korea is likely to use its main missile launch site at Musudan-ri on the eastern coast - which was used to launch a Taepodong-1 missile in 1998 over Japan - for this missile launch, rather than a new site at Dongchang-ri, North Pyongan Province, given that the new site is still under construction.

Conservative Chosun Ilbo editorialized: "North Korea, whenever launching long-range missiles, have staged 'political events.' It test-fired the Taepodong-1 in August 1998 when the North's leader Kim Jong-il took charge after his father- the country's founder Kim Il-sung- died. It also detonated a nuclear device three months after launching a Taepodong-2 in 2006. Whatever the North might do this time, the ROK and the U.S. should be prepared for all possible scenarios and speak with one voice through close coordination."

Moderate Hankook Ilbo stated in an editorial: "In 2006, North Korea succeeded in inducing the Bush Administration to change its North Korea policy by pushing for the launch of a Taepodong-2 missile and conducting a nuclear test. In this regard, there is a high possibility that North Korean may be trying to draw attention to it and raise the stakes ahead of substantive negotiations with the Obama Administration. However, if Pyongyang thinks that its saber-rattling will produce the results that it has intended, it is

Yesterday's telephone conversation between Presidents Lee Myung-bak and Barack Obama received wide attention. The two leaders were quoted as pledging to work together to verifiably denuclearize North Korea through the Six-Party Talks and to forge a stronger alliance between the two countries.

Opinions/Editorials

Will North Korea Again Test-fire Missiles? (Hankook Ilbo, February 4, 2009, Page 39)

The ROK and U.S. intelligence authorities have reportedly spotted North Korea preparing for a missile launch. If a missile is actually fired, it is highly likely to plunge the Korean Peninsula into an uncontrollable state of tension.

Of course, we do not need to overreact to North Korea's move. If what the North is preparing is a Taepodong-2 missile, it will take over one or two months to inject fuel into the missile and fire it.

Therefore, the ROKG should respond calmly to this by establishing close cooperation with related countries.

If North Korea pushes forward with a missile launch, it is not difficult to read its true intentions. In 2006, North Korea succeeded in inducing the Bush Administration to change its North Korea policy by pushing for the launch of a Taepodong-2 ballistic missile and conducting a nuclear test in 2006. This time, it seems highly probable that North Korea aims to call attention to the communist state and raise the stakes ahead of substantive negotiations with the Obama Administration.

However, if the North Koreans think that their saber-rattling, such as missile launches, will produce the results that they have intended, it is a serious miscalculation. Instead, Pyongyang's move may arouse a strong repulsion by the international community and backfire on the North. Above all, Pyongyang should not forget that raising military tension on the Korean Peninsula will also do considerable harm to the North.

Seoul, Washington Must Stand Shoulder to Shoulder (Chosun Ilbo, February 4, 2009, Page 27)

South Korean and U.S. intelligence services have recently spotted a train carrying covered cylindrical objects loaded at a munitions factory to the missile base in Cholsan in North Korea's North Pyongan Province. Judging from where the objects were loaded, their length and method of transportation, they are believed to be Taepodong-2 missiles. The move comes as the Rodong Shinmun, a publication of the North Korean Workers' Party, on Tuesday again said inter-Korean relations are at the threshold of war.

Taepodong-2 missiles have a range of up to 6,700 km, making them capable of reaching Alaska. The U.S. has every cause for alarm. A Taepodong-2 missile fired from Musudanri on the east coast in 2006 crashed into the sea after 2 km, but Pyongyang has continued capacity tests ever since. The preparations now are probably a demonstration intended to nudge the U.S. into direct negotiations.

Even while threatening the South with war, the North on Monday urged Washington to talk about mutual nuclear disarmament.

It may also be intended to test the Seoul-Washington alliance. But U.S. President Barack Obama in a telephone conversation with President Lee Myung-bak on Tuesday said it is vital for the two countries to cooperate in resolving the North Korean nuclear problem through the Six-Party Talks, and that the insight the South Korean government demonstrated with regard into the nuclear issue provided a valuable lesson. Obama, who stressed direct dialogue with the North during his campaign, has begun to open his ears to Seoul's North Korea policy.

Secretary of State Hillary Clinton is scheduled to visit Seoul this

month. It is important that the two countries share a common understanding of the North's recent actions through such a high-level dialogue and maintain consistency in future North Korea policies and in ways of dealing with North Korean provocations.

North Korea has caused political incidents whenever it fired long-range missiles in the past. In the wake of testing a Taepodong-1 missile in August 1998, the North formally abolished the presidential system, leaving Kim Jong-il solely in command. Three months after the firing of a Taepodong-2 missile in July 2006, Pyongyang tested a nuclear device. Whatever actions it may take this time, Seoul and Washington should strive to agree on all possible scenarios so that they can speak with the same voice. Whatever intentions North Korea may harbor, the two allies should not show the slightest crack in their response to North Korea.

* This is a translation provided by the newspaper, and it is identical to the Korean version.

Features

Lee, Obama Pledge Cooperation on N. Korea (Chosun Ilbo, February 4, 2009, Front Page)

By Reporter Joo Yong-joong and Washington Correspondent Lee Ha-won

U.S. President Barack Obama agreed with President Lee Myung-bak by phone on Tuesday to cooperate closely through the Six-Party Talks and the bilateral alliance to dismantle North Korea's nuclear weapons and programs in a verifiable way, according to White House spokesman Robert Gibbs.

This suggests that Obama is inclined to stick to due process rather than agreeing to North Korea's recent calls for nuclear disarmament talks or normalizing U.S.-North Korean relations before dismantling its nuclear weapons.

Obama was quoted by Cheong Wa Dae Spokesperson Lee Dong-kwan as saying that he came to understand it would be possible to denuclearize the Korean Peninsula at an early date by strengthening cooperation among nations taking part in the Six-Party Talks and that the insight shown by the ROKG became a valuable lesson. In response, President Lee appreciated the new USG's demonstration of a strong resolve regarding the North Korean nuclear issue.

President Lee stated, "As a fan of the Pittsburgh Steelers, I was pleased that the team won the Super Bowl yesterday. Doesn't Korean (-American) Hines Ward play for the Steelers?" and President Obama also said, "I am also a fan of the team." When President Lee remarked, "I hope that the U.S. economy makes a comeback as the Steelers did to win the championship," President Obama said with a big laugh, "Thank you."

* We have compared the English version on the website with the Korean version and added some sentences to make them identical.

Is North Korea Choosing Missiles over Clashes at NLL? (Dong-a Ilbo, February 4, 2009, Page 4)

By reporter Yun Sang-ho and Kim Young-sik

After a string of recent menacing rhetoric from the spokesman for the Chief of General Staff of the Korean People's Army and the North's Committee for the Peaceful Reunification of the Fartherland, North Korea is gearing up to test-fire a long-range ballistic missile. This move by North Korea is apparently aimed at placing more pressure on ROK through heightened military tensions and to elicit attention from the Obama Administration.

North Korea's ulterior motive behind missile card

In statements to ROK on Jan. 17 by the spokesman for the Chief of General Staff of the Korean People's Army and on Jan. 30 by the North's Committee for the Peaceful Reunification of the Fatherland, North Korea announced the waging of an all-out confrontation against ROK and nullify all political and military agreements, while calling for scrapping of the Northern Limited Line (NLL).

Later, it was observed at home and abroad that North Korea would stage military action near the NLL around the May-June crab-catching season as it did in the past.

However, North Korea has little chance of success in a military standoff with the South Korean navy, equipped with the state-of-art Aegis destroyer and next-generation high-speed vessels. Moreover, such provocation would backfire domestically and internationally if North Korea is defeated. Accordingly, for now, North Korean high-ranking officials have seemed to roll back its 'NLL card'. Instead, North Korea is sending a signal of the possible firing of a Daepodong-2 missile to attract international attention from the U.S. while evading direct clashes.

Site of missile testing and countermeasures by ROK, the U.S. and Japan

A Japanese media agency pointed out on the same day that a sign of missile testing by North Korea was spotted at Dongchang-ri base, Cheolsan-gun, Pyungbuk province. But a high-ranking ROK government official denied the report, saying, "It was not Dongchang-ri but another long-range missile base where signs of missile testing were detected."

The ROKG has been keenly alert to the Dongchang-ri base since it is larger than the Musudan-ri base and has enhanced launching facilities such as an engine test bed and fuel injection equipment. Yet, the Dongchang-ri base has not yet been completed and thus is not fully capable of launching a missile.

Reportedly, a U.S. spy satellite detected missile testing at Musudan-ri base, Hwadae-gun, Hambuk province. In July 2006, North Korea fired a Daepodong-2 missile from Musudan-ri base; however, the missile crashed into the Eastern Sea 42 seconds later.

ROK and the U.S. intelligence authorities have deployed a KH-12 spy satellite and RC-135 aerial vehicle to closely track signs of test-firing including military developments around the missile base. Japan's Chief Cabinet Secretary Takeo Kawamura said, "With great interests, we are making all efforts to gather information."

North Korea is stepping up attempts to draw attention

Experts say that North Korea's move to test-fire a long-range missile is designed to flaunt that words can lead to action. Also, this indicates North Korea's discontent with the no reaction policy taken by the ROK and the U.S. despite Pyongyang's continued escalation of tensions.

Professor Kim Sung-han at the Graduate School of International Studies in Korea University analyzes that North Korea's move came from its unsettling recognition that the North Korean issues appear to be lower priorities in the diplomatic security policy of the U.S. and ROKG.

In particular, North Korea's accelerated saber-rattling move since the inauguration of the Obama Administration is similar to that in 1993 when the Clinton Administration took office. North Korea aims to provoke tensions around the time of inauguration of the new U.S. administration to extract great compromise from the U.S. Professor Yun Deok Min at the Institute of Foreign Affairs and National Security said, "North Korea's recent move is similar to that made during the early stage of the Clinton Administration; North Korea declared withdrawal from the Nuclear Non-Proliferation Treaty (NPT), fired a Rodong missile and then successfully pushed for U.S. and North Korea high-level talks.

At that time, the Clinton Administration was willing to negotiate with North Korea, but the Kim Young-sam government was hard-lined against North Korea. In a similar manner, the Obama Administration appears open to the possibility of talking with North, while the Lee Myung-bak government keeps a conservative stance toward North Korea.

However, the overriding opinion is that the U.S. government is unlikely to be lured into such tricks by North Korea since the U.S. received criticism for the Geneva Agreement in which the U.S. agreed

to provide a light water reactor after North Korea's repeated maneuvers.

Stephens